



News Release

Office of Economic Development

FOR IMMEDIATE RELEASE

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EVENTS BRING MILLIONS OF DOLLARS TO SAN JOSE

City Unveils Innovative Economic Impact Methodology

SAN JOSE, CALIF., February 9, 2007 – The City of San Jose today announced the debut of a new methodology for assessing the economic impact of events and a report that revealed how six representative San Jose events generate significant economic and fiscal impact for the City.

Produced by Berkeley-based SportsEconomics, LLC in collaboration with the City of San Jose's Office of Economic Development, the San Jose Sports Authority and the San Jose Convention and Visitors Bureau, the methodology from a report entitled, *Analysis of the Economic and Fiscal Impact of Cultural and Sporting Events in San Jose: Explanation of Recommended Methodology and Impact Assessment for Six Representative Events*, allows for the analysis of City-sponsored events and their impact on the San Jose economy.

According to Paul Krutko, the San Jose's chief development officer, results from the economic impact analysis will help the City better strategize to generate more hotel room nights and increase visitor revenue by working with event producers and by building stronger alliances with partners.

"Events throughout San Jose create sizable economic impact. We recognize the importance of this and have now developed a consistent methodology that will allow us to better understand how to maximize visitor and participant spending—no matter the size of the event," Krutko said. "We also recognize that events in the City are as diverse as our population: each has a unique impact based on its targeted audience and its particular stage of development. This new tool allows us to address the impact of programming for a diverse range of people and measure progress over time."

Precipitated by the need to create a standardized economic impact measurement to put context around City-sponsored events, San Jose—through an official bid process—utilized SportsEconomics, a firm that specializes in this type of economic consulting to the sports and entertainment industries, with specific knowledge of the economic impact of facilities, events and teams.

According to Daniel A. Rascher, Ph.D., president of SportsEconomics, the methodology his firm created is based on conservative analysis—with only outside visitors counted.

“The methodology chosen can affect the outcome of a study. The methodology that we worked to create can be applied across a broad spectrum of sporting and cultural events. Used consistently, it will result in “apples-to-apples” findings,” Rascher said.

Development of the methodology took place throughout the past nine months and took into consideration six major sporting and cultural events hosted in the City, including the San Jose Grand Prix, ZeroOne San Jose, the San Jose Jazz Festival, the San Jose Rock ‘n’ Roll Half Marathon, the San Jose Mariachi Festival and the Tapestry Arts Festival. The events were chosen for on-site visitor spending surveys because of their diversity. Each is meant to be a typology from which others can be analyzed.

The report revealed that the six representative events generated more than \$74 million in economic impact with more than \$1.9 million in new tax revenues to the City of San Jose. The report also states that direct event-related spending resulted in \$44.2 million in increased income for residents and supported 1,280 jobs.

“We know that events drive economic and fiscal impact. But, just as significant, is how they build community pride and identity for everyone, raise San Jose’s profile on a broad scale and introduce the City, particularly Downtown, to people who may like what they see and return in the future to visit attractions and live or work,” Krutko said.

The investment in the creation of this methodology will allow the City to apply an economic impact tool to signature events on an ongoing basis and will be re-calibrated to ensure continuing accuracy.

“We worked with the City and intentionally picked a diverse range of events to understand unique characteristics of each and build provisions into the overall economic impact calculator tool. By conducting surveys during a diverse range of events that attract outside visitors, the City now has baseline data about spending,” Rascher said.

For more information about the methodology, *Analysis of the Economic and Fiscal Impact of Cultural and Sporting Events in San Jose: Explanation of Recommended Methodology and Impact Assessment for Six Representative Events*, please visit, www.sjeconomy.com.

About SportsEconomics, LLC

SportsEconomics provides a broad range of consulting services to the sports business and entertainment communities. In the past nine years, SportsEconomics has provided economic, financial, and marketing research analysis to clients in a wide variety of fields associated with sports. SportsEconomics is based in the San Francisco Bay Area, but serves clients throughout the United States and the world.

About the City of San Jose's Office of Economic Development

The City of San Jose's Office of Economic Development (OED) is committed to a vital, competitive San Jose economy that increases prosperity for people and companies and enhances City revenues. The OED guides the City's economic strategy, provides assistance for business success, helps connect employers with trained workers, and provides art, sporting and cultural resources to our community. For more information, please visit, www.sjeconomy.com.

About the City of San Jose

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, work, live, play and learn. For more information, visit, www.sanjoseca.gov.

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